

DEPARTMENT OF TRANSPORTATION

DIVISION OF LOCAL ASSISTANCE, MS 1

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February 28, 2007

To: Metropolitan Planning Organizations
Regional Transportation Planning Agencies
Local Transportation Commissions

Dear Executive Director:

Subject: Revised Due Date for Obligation Information Regarding Local Assistance Funds

The purpose of this letter is to inform you that the due date for submitting obligation plans has been moved up from May 1, 2007 to April 2, 2007.

The change in date is due to the low delivery of Obligation Authority (OA) in the current Federal Fiscal Year (FFY) and the length of time it is taking the Federal Highway Administration (FHWA) to review and authorize funding for projects. The April 2, 2007 due date will provide the necessary time for the Department of Transportation (Department) to determine the planned use of OA by local agencies for the remainder of FFY 2007 and to report on the "Use It or Lose It" requirements of Assembly Bill (AB) 1012.

On November 20, 2006, official notification of the "Use It or Lose It" provisions contained in AB 1012 enacted in October 1999 was sent out to the regional agencies. Under these provisions, agencies are required to obligate federal funds within three years of receiving the apportionments. AB 1012 balances subject to potential reprogramming on November 1, 2007, total approximately \$134 million; \$87 million for the Congestion Mitigation and Air Quality Improvement Program (CMAQ) and approximately \$47 million for the Regional Surface Transportation Program (RSTP).

In addition, the Streets and Highway Code, Sections 182.6(f) and 182.7(e), requires Regional Transportation Planning Agencies to notify the Department of the projected amount of OA they intend to use for the remainder of the FFY. The obligation plans are an important tool that the Department uses to determine the local OA needs for the remainder of the FFY, to review, prioritize and track projects, and plan workload.

The obligation plan must include all projects that will be obligated using CMAQ, RSTP, Highway Bridge Program (HBP), Highway Safety Improvement Program (HSIP), High Risk Rural Roads Program (HRRR), Safe Routes to School (SR2S), and the State Transportation Improvement Program (STIP) funds. Only projects that will be obligated on April 2, 2007 or later should be included on the obligation plan. It is critical that you specify the date the project will be obligated and the fund type to be used.

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We are requesting that your agencies work with their respective District Local Area Engineer to determine the exact date of obligation that allows enough time for district and headquarters action to meet the FHWA deadline. We also ask that you ensure that projects identified in your obligation plan are programmed in the Federal Transportation Improvement Program appropriately.

Enclosed is a spreadsheet that contains the fields that need to be completed by you. We will use this information to determine OA needs for the remainder of the FFY and AB 1012 requirements. An electronic copy is available at <http://www.dot.ca.gov/hq/LocalPrograms/>. Please do not modify the format. Submit your plan to:

John T. Flores
Division of Local Assistance, MS #1
P.O. Box 942874
Sacramento, CA 94274-0001

If you have any questions about the notification or the report, please call Mr. Flores at (916) 654-4032 or contact him by e-mail at John_T_Flores@dot.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry L. Abbott", with a stylized flourish at the end.

TERRY L. ABBOTT
Chief
Division of Local Assistance

Enclosure